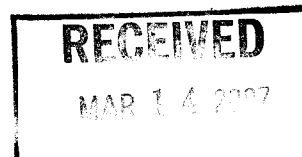


599

Frank H. Foster
P.O. Box 50152
Santa Barbara, CA 93150

March 2, 2007

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



RE: File Number S7-25-06

Dear Ms. Morris:

I am writing to register my opposition to the Commission's proposed rule change referenced in the above File Number. I do not support changing the definition of an Accredited Investor. I do not believe that the size of an investor's portfolio is indicative of their ability to judge risk. Furthermore, I do not believe that pooled investment vehicles, including private equity funds, are inherently riskier than investments in the regulated public equity markets. To wit, an investor in Enron or MCI, both recent and well known examples, could just as easily have lost all of their investment as an investor making an investment in a private equity fund. Other examples from the public equity markets abound. Ironically, you exclude investments in venture capital from the proposed changes, yet these are probably the riskiest of all pooled investments.

I would propose, in place of an arbitrary asset threshold, to limit the amount an individual investor can invest in any single pooled investment vehicle to no more than 15% of the investor's net worth, excluding the value of their primary residence. Alternately, I propose that individual investors using the services of a Registered Investment Advisor be excluded from the increased threshold for an "Accredited Natural Person."

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to be "Frank H. Foster", written over the word "Respectfully,".

Frank H. Foster
P.O. Box 50152
Santa Barbara, CA 93150

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Thank you for your consideration.

Respectfully,

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Frank H. Foster
P.O. Box 50152
Santa Barbara, CA 93150

March 2, 2007

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Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Number S7-25-06

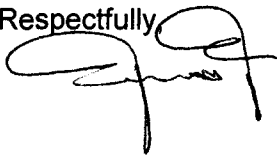
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